

Decision 05-01012 January 13, 2005

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Salvatore Vitale,

Complainant,

vs.

Pacific Gas and Electric Company,

Defendant.

(U 39 E)

(ECP)

Case 04-09-026

(Filed September 14, 2004)

**OPINION GRANTING RELIEF IN PART
AND DENYING RELIEF IN PART**

Summary

Salvatore Vitale (Complainant) seeks a refund of \$1,544.52, the full amount he paid Pacific Gas and Electric Company (PG&E) for a replacement underground electric service to his house. Complainant believes he was overcharged and his new service should be provided at no cost.

PG&E responds that it has reviewed its estimate and finds that the contracted work was charged and collected in full compliance with its tariffs, and no refund is warranted.

The Commission concludes that since PG&E took over 18 weeks to provide its estimate, and by then it was too late for Complainant to cancel his project, he should receive a refund of \$794.52.

Procedural Summary

The complaint was filed on September 14, 2004. PG&E filed its Answer to the Complaint on October 27, 2004. Hearing was held on November 17, 2004 in Stockton, and this matter was submitted for decision on that date.

The Engineering Deposit and Estimate

Before a customer is provided an estimate, PG&E completes the engineering and design for the project. To cover these costs, the customer is required to pay a deposit with the application for service. Should the customer decide to cancel the project, the deposit is refundable only to the extent that the deposit amount has not been exhausted in engineering costs incurred by PG&E.

In accordance with its standard practice, PG&E provided Complainant with a contract document entitled Agreement to Perform Tariff Schedule Related Work, which in pertinent part states:

Salvatore Vitale (Applicant) has requested Pacific Gas and Electric Company, a California corporation (PG&E) to perform the tariff schedule related work as located and described in paragraph 3 herein. . . .

3. PG&E will perform an engineering design review, engineering work, develop connection costs and any other required engineering related work prior to the final agreement to establish gas and or electric service.
4. Applicant shall pay to PG&E, promptly upon demand by PG&E, as the complete contract price hereunder, the sum of Seven Hundred Fifty Dollars (\$750.00).

On July 23, 2003, Complainant paid PG&E a deposit of \$750 and returned the signed agreement. Eighteen weeks later, on December 8, 2003, PG&E provided Complainant with the estimate, as summarized below:

Engineering and Administration.....	\$1,118.06
Electric Meter	49.17
Service Installation	1,156.77
Inspection Fees	255.00
ITCC	<u>278.52</u>
Subtotal	2,857.52
Less: Residential Allowance	<u>1,313.00</u>
Total Cost to Customer.....	1,544.52
Less: Deposit	<u>750.00</u>
Balance Due.....	\$794.52

Positions of the Parties

Complainant says that when he paid the \$750 deposit, PG&E's representative told him that if he did the work himself,¹ his deposit would likely be refunded. Although several PG&E personnel visited the site in connection with the trench construction, it was not until Complainant received PG&E's estimate several months later that he found out his service replacement would cost him \$1,544.52. Complainant contends that had he known earlier, he would not have undertaken the project. However, as he had an open trench on his property, it was too late to cancel the project.

¹ Under PG&E Tariff Rule 16, the customer may elect to dig the trench and lay the conduit. PG&E would then provide and install the cable in the customer's conduit, and make the connections between its system in the street and the customer's panel in the house.

Complainant also questions the reasonableness of PG&E's estimate. Based on the time it took PG&E's crew to install the cable, Complainant believes he should be charged no more than a half-hour for a two-person crew, plus travel time.

PG&E responds that, on December 11, 2003, its project manager and engineer met with Complainant at his request to explain the contract and costs. They explained that the contract represented only work to be completed by PG&E, including state ITCC tax. PG&E also explained that the contract costs exceeded both the residential allowance of \$1,313.00 and the \$750.00 engineering deposit paid by the Complainant, and the remaining cost of \$794.52 would need to be paid to PG&E in order to complete this work. These costs were collected prior to completion of the work, as provided in Rule 16.E.4.

According to PG&E, the charges are consistent with costs for similar projects throughout the service territory. PG&E points out that the amount of time Complainant may have physical contact with PG&E is not indicative of the time allotted to such projects. As part of the administrative and engineering cost, time must be allotted for: project management; administrative support; engineering review for accuracy and setting up the detailed aspects of the project on PG&E's system for tracking and accounting purposes; and estimating the job, including a construction drawing for internal purposes and providing the applicant with a substructure packet with detailed information regarding PG&E's specifications for applicant-completed work such as trenching and meter panel location and installation. The estimate also included time spent responding to Complainant's many inquiries regarding the job and the estimated costs, prior to presenting the contract to him.

Further, PG&E states that a three-person construction crew is standard for an underground tie-in project. Time is allotted for any equipment preparation work required prior to installation, ensuring the proper equipment (such as type and size of cable) is loaded before leaving PG&E's yard, travel time and the actual job installation.

In response to Complainant's concern regarding the number of personnel that were at the job site, PG&E states that on the date of installation it determined that a four-person crew would be required for the job scheduled immediately following Complainant's job. Therefore, a fourth employee did accompany the crew to Complainant's job site so he would be available at the next job. However, as a three-person crew had been charged on the job estimate, the presence of a fourth crew member did not increase his charges.

Discussion

We find Complainant's assumption that he would receive his new service at no cost, and that his \$750 engineering deposit would be refunded, is not reasonable. However, we agree that had PG&E timely provided Complainant with an estimate, he would have had an opportunity to cancel the project. On this basis, we will require PG&E to refund Complainant's (second) payment amounting to \$794.52. However, we find no basis for the deposit of \$750 to be returned. PG&E's written agreement with Complainant states that the deposit will be refunded only to the extent PG&E's design and engineering costs have not exhausted the deposit. Since the deposit is exhausted, Complainant is not entitled to any refund on this amount. In sum, Complainant should receive a refund of \$794.52 only.

O R D E R

IT IS ORDERED that:

1. Salvatore Vitale's (Complainant) request for a refund of \$1,544.52 is denied.
2. Pacific Gas and Electric Company shall refund \$794.52 to Complainant.
3. Case 04-09-026 is closed.

This order is effective today.

Dated January 13, 2005, at San Francisco, California.

MICHAEL R. PEEVEY
President
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners